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Farm Broadcasters Letter



Letter No. 2226

August 22, 1985

AG EXPORTS

U.S. farm product exports in fiscal 1985 are forecast at \$32 billion, down \$1.5 billion from the May estimate and nearly 16 pct. below fiscal 1984's \$38 billion, according to the U.S. Department of Agriculture. Export volume is forecast at 129 million tons, 6 pct. below the May forecast and down more than 9 pct. from 1984. Current global supply and demand estimates indicate that fiscal 1986 agricultural exports may continue to decline, largely reflecting reduced grain and cotton exports. (For more information, call Steve MacDonald at 202-786-1621, or Dave Pendlum at 202-382-9148.)

WHEAT EXPORTS

Early season wheat exports by the U.S. are extremely slow, suggesting a 16 pct. decline in shipments from 1984/85, according to the U.S. Department of Agriculture. To make the U.S. more competitive in world markets, USDA initiated a \$2 billion, 3 year Export Enhancement Program whereby bonus quantities of U.S. grains are offered to buyers in specific markets. Algeria and Egypt were the first designated markets for wheat.

WHEAT PRICES

This season's large wheat supply and reduced demand resulted in a July average farm price of \$2.95 a bushel, the lowest since 1978, according to the U.S. Department of Agriculture. Prices below the \$3.30-a-bushel loan rate induced eligible producers to place a record volume of wheat under loan with the Commodity Credit Corporation. For this marketing year, the farm price will average below 1984/85's \$3.38 a bushel, likely ranging from \$3.05 to \$3.25. Significant 1985 farm bill changes in price support levels, stocks management policies, and program expenditure levels will have an important bearing on the 1986/87 wheat market outlook. (For more information, call Allen Schienbein at 202-786-1840.)

FEED GRAIN

Feed grain ending stocks are projected to build to 83 million tons next season, up nearly 80 pct. from 1984/85, according to the U.S. Department of Agriculture. Farm prices will be supported by loan rates, and deficiency payments will constitute an important part of grain producers' net income. Stocks will be bolstered by expected record crops of corn, sorghum and barley, and a larger oat harvest. Total feed grain production in 1985 is forecast at 257 million metric tons, 21 million above last year. The feed grain supply for the 1985/86 marketing year is forecast at 305 million metric tons, about 36 million above a year earlier. (For more information, call David Hull at 202-786-1840.)

SMALLEST WHEAT CROP IN 6 YRS.

A speedy harvest of the 1985 U.S. winter wheat crop and rapid spring wheat development will soon bring to market the smallest wheat crop in 6 years, according to the U.S. Department of Agriculture. The outlook for 1985/86 calls for slightly smaller supplies, reduced domestic demand, the smallest export volume in 7 years, and the lowest farm prices since 1978. When the season ends next May 31, U.S. wheat stocks are projected to climb to 1.5 billion bushels, just shy of the 1983 record.

CROP PROD. OUTLOOK

The total U.S. crop production in 1985 may be up about 2 percent, even though the planted area was down a little because of farm programs to reduce acreage. According to the U.S. Department of Agriculture, wheat, soybean and cotton seedings were down, but feed grain plantings were up. National yields will be about on trend and should top last year's. The global coarse grain outturn for 1985/86, at 837 million metric tons, should break the previous year's record by more than 31 million tons. Livestock feeding will likely also grow, reaching over 521 million tons. (For more information, call Herb Moses at 202-786-1564.)

FINANCIAL PROBLEMS: BEEF & PORK

Cattle producers continue to have financial problems, according to the U.S. Department of Agriculture. These problems, along with drought-reduced forage supplies in some areas, are still causing herd reductions. The July inventory was down 4 pct. from a year earlier. Hog production costs have been the lowest since early 1983 because of relatively low prices for feed and manufactured inputs. Nevertheless, low hog prices kept producers' returns below breakeven during the first half of 1985. In July, hog prices averaged \$47 per cwt. Seasonally lower hog prices this fall may again put returns below breakeven, even with a record corn crop.

RATES FOR 1985-CROP SOYBEANS

The U.S. Department of Agriculture issued a preliminary loan and purchase rate for 1985-crop soybeans of \$5.02 per bushel, the minimum permitted by law and unchanged from 1984. The USDA will issue a final 1985 soybean loan and purchase rate no later than Oct. 1, by which time USDA will have figures on prices received by farmers for the 1984 crop.

CORN FROM THAILAND FOR JAPAN

The Japan Feed Association is sending importers to Thailand to discuss Thai corn imports, and is considering a 10,000-ton purchase of new crop Thai corn for Oct. shipment on a trial basis. Japan's annual corn imports amount to 14-15 million tons. Japan's Thai purchase shows Japan is interested in renewing its corn trade with Thailand. Thailand's corn production is forecast at a record 4.9 million tons for 1985.

FARM PRODUCTION EXPENDITURE

Farm expenditures for 1984 totaled \$128.3 billion, down 2.3 pct. from a year earlier, according to the U.S. Department of Agriculture. The average expenditure per farm was \$55,145 which is \$375 below the 1983 average. Farms with more than \$100,000 in sales accounted for 52 pct. of the total expenditures. Farms in the \$20,000 to \$100,000 category accounted for 29 pct. of the expenditures. Farms with less than \$20,000 in sales had 19 pct. of the total expenditures.

FROM OUR
TELEVISION
SERVICE

WORLD COURSE GRAIN SITUATION...USDA economist Sam Evans focuses on the world coarse grain situation, including growing conditions in the U.S. as well as the Soviet Union and other countries, and how this is affecting U.S. exports in 1985/86. Vic Powell interviews. (451)

FEED GRAINS OUTLOOK...With little weather stress in most major producing regions, several grain crops are expected to have record harvests, boosting large stocks to even higher levels. USDA economist Sam Evans talks about the current feed grains outlook. Vic Powell interviews. (452)

AGRICULTURAL OUTLOOK...Total crop production in 1985 may be up about two percent, although planted areas were down because of farm programs to reduce acreage. USDA economist Herb Moses comments on factors contributing to the current agricultural outlook. DeBoria Janifer interviews. (453)

FOREIGN AGRICULTURAL TRADE...During the period that U.S. exports have been declining, our imports of agricultural products have been increasing. USDA economist Tom Warden talks about foreign trade. Vic Powell interviews. (454)

GUARD DONKEYS...Glenn Tolbert, Maryland Public Television, talks about the innovative use of donkeys to protect sheep against packs of wild dogs. (455)

MACHINERY
DEMAND DOWN

Projections of the U.S. Department of Agriculture indicate that farmers will purchase \$6.4 to \$6.6 billion of new and used farm machinery in 1985, down from a depressed \$7.3 billion last year. The continued weakness of the U.S. farm economy has cut demand for machinery.

FARM LABOR

A total of 3.9 million people were working on farms and ranches in the U.S. during the week of July 7-13, according to the U.S. Department of Agriculture. There were 3.9 pct. (161,000) fewer workers on farms this July than a year earlier. The wage rate for all hired workers was \$4.24 per hour, 8 cents above the previous year.

SURPLUS DAIRY
TO SPAIN

The U.S. Department of Agriculture announced the sale of \$8.75 million worth of U.S. standard grade nonfat dry milk to Spain. The 55 million pounds of dry milk was sold for use as a calf milk replacer. This new sale to Spain and the quantity yet to be delivered against the sale in May represents 65 pct. of the Commodity Credit Corporation's inventory of standard grade nonfat dry milk.

KITTYFISH

Farm-raised catfish processed during July totaled 14.3 million pounds round weight, according to the U.S. Department of Agriculture. This is an increase of 17 pct. from July 1984. The July average price paid to growers was 76 cents per pound, 2 cents above July last year. The July average prices received by processors for whole fish were \$1.69 per pound for ice pack and \$1.70 for frozen fish

OFF MIKE

Sec'y of Agric John Block visited our USDA radio studios four times last Tuesday (Aug. 20) to answer questions from farm broadcasters in what we call our "Telephone Press Conferences." In all 70 farm broadcasters gave commitments to participate when we called. (We called about twice that many, but a lot of you were at your fairs or otherwise not available). Fewer than the 70 actually showed up on the telephone "bridge," however. We're a little concerned about the "no-shows," too, because a commitment to participate reserves a slot on the "bridge." When a person doesn't show, we could have used that slot for someone else. So, if you commit to participate, then find you can't, call our office at 202-447-4330 to cancel. Others would like your spot ... Enuff of that. Our calling also turned up the fact that Rod Hiser is no longer at KMMJ, Grand Island, NE. Pat McAfee is the new farm director there. Also, Randall Weiseman is no longer at KMZU/KAOL, Carrollton, MO. Mike Carter took his place. And Robert Hysong has left KWRE, Warrenton, MO. No replacement that we know of ... Mike Perrine (WJIL, Jacksonville, IL) reports that his co-worker Barb Baylor is leaving the station to work for CNS in Chicago ... Mike also reported that he co-MC'd the Iowa State Fair Governor's Charity Steer Show, in which several farm broadcasters showed animals, including Craighton Knau (KMA, Shenandoah, IA), Jerry Passer (WMT, Cedar Rapids, IA), Keith Kirkpatrick (WHO, Des Moines, IA) and Larry Cooper (KWMT, Fort Dodge, IA). Evidently Cooper and Passer made the event into their own little rodeo when their animals took exception to the PA system and took off. 'Twould have been fun to be there.


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1473...(Weekly 13½ min documentary) Farmers and those who lend farmers money are bracing for another year of credit problems. Gary Crawford explores the causes, the results and the proposed cures for the farm credit crisis.

AGRITAPE/FARM PROGRAM REPORT #1462...(Weekly reel of news features) USDA news highlights; USSR wheat team pays a visit to the U.S.; Dicofol stays; Changing marketing techniques; More small farms in the country.

CONSUMER TIME #956...(Weekly reel of five 2½-3 min features) Household chores; Forest fire aftermath; Strong pesticides for homeowners; Saving the cranes; Wrinkleless washing.

USDA RADIO NEWS SERVICE...Tues, Sept. 10, Weekly weather and crop summary; Wed, Sept. 11, Crop production report; Fri, Sept. 13, Milk production report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EDT each working day.


JAMES L. JOHNSON, Chief
Radio and Television Division